

**WHITE EYES TOWNSHIP  
COSHOCKTON COUNTY  
Regular Audit  
December 31, 2006 and 2005**





# Mary Taylor, CPA

Auditor of State

Board of Trustees  
White Eyes Township  
28520 Township Road 171  
Fresno, Ohio 43824

We have reviewed the *Independent Accountants' Report* of White Eyes Township, Coshocton County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period January 1, 2005 through December 31, 2006. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

The financial statements in the attached report are presented in accordance with a regulatory basis of accounting prescribed or permitted by the Auditor of State. Due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA), modifications were required to the *Independent Accountants' Report* on your financial statements. While the Auditor of State does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. The attached report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the statements are misstated under the non-GAAP regulatory basis. The *Independent Accountants' Report* also includes an opinion on the financial statements using the regulatory format the Auditor of State permits.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. White Eyes Township is responsible for compliance with these laws and regulations.

*Mary Taylor*

Mary Taylor, CPA  
Auditor of State

May 3, 2007

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**WHITE EYES TOWNSHIP  
COSHOCTON COUNTY**

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**INDEPENDENT ACCOUNTANTS' REPORT**

April 4, 2007

White Eyes Township  
Coshocton County  
28520 Township Road 171  
Fresno, Ohio 43824

To the Board of Trustees:

We have audited the accompanying financial statements of White Eyes Township, Coshocton County, Ohio, (the Township) as of and for the years ended December 31, 2006 and 2005. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Township has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Revisions to GAAP would require the Township to reformat its financial statement presentation and make other changes effective for the years ended December 31, 2006 and 2005. Instead of the combined funds the accompanying financial statements present for 2006 and 2005, the revisions require presenting entity wide statements and also to present its larger (i.e. major) funds separately beginning in 2004. While the Township does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to the new GAAP presentation requirements. The Auditor of State permits, but does not require governments to reformat their statements. The Township has elected not to reformat its statements. Since the Township does not use GAAP to measure financial statement amounts, the following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits.

Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2006 and 2005 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2006 and 2005 or their changes in financial position for the year then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of White Eyes Township, Coshocton County, as of December 31, 2006 and 2005, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The aforementioned revision to generally accepted accounting principles also requires the Township to include Management's Discussion and Analysis for the years ended December 31, 2006 and 2005. The Government has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 4, 2007, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Respectfully Submitted,

**Perry and Associates**  
Certified Public Accountants, A.C.



**WHITE EYES TOWNSHIP  
COSHOCOTON COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>Governmental Fund Types</u>			<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Non- Expendable Trust</u>	
<b>Cash Receipts:</b>					
Local Taxes	\$ 37,603	\$ 15,151	\$ -	\$ -	\$ 52,754
Intergovernmental	18,365	116,386	-	-	134,751
Licenses, Permits, and Fees	-	1,000	-	-	1,000
Earnings on Investments	675	491	-	100	1,266
Other Revenue	-	7,665	-	-	7,665
<b>Total Cash Receipts</b>	<u>56,643</u>	<u>140,693</u>	<u>-</u>	<u>100</u>	<u>197,436</u>
<b>Cash Disbursements:</b>					
Current:					
General Government	43,169	328	-	-	43,497
Public Safety	-	14,100	-	-	14,100
Public Works	2,495	122,215	-	-	124,710
Health	9,257	58	-	-	9,315
Capital Outlay	2,640	35	-	-	2,675
Debt Service:					
Principal	-	10,000	-	-	10,000
Interest and Fiscal Charges	-	856	-	-	856
<b>Total Cash Disbursements</b>	<u>57,561</u>	<u>147,592</u>	<u>-</u>	<u>-</u>	<u>205,153</u>
Total Cash Receipts Over/(Under) Disbursements	(918)	(6,899)	-	100	(7,717)
<b>Other Financing Receipts / (Disbursements)</b>					
Other Financing Sources	2,052	-	-	-	2,052
<b>Total Other Financing Receipts / (Disbursements)</b>	<u>2,052</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,052</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements And Other Financing Disbursements	1,134	(6,899)	-	100	(5,665)
Fund Cash Balances, January 1	19,059	128,243	28	18,836	166,166
<b>Fund Cash Balances, December 31</b>	<u>\$ 20,193</u>	<u>\$ 121,344</u>	<u>\$ 28</u>	<u>\$ 18,936</u>	<u>\$ 160,501</u>
Reserve for Encumbrances, December 31	<u>\$ 1,019</u>	<u>\$ 2,827</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,846</u>

See accompanying notes to the basic financial statements

**WHITE EYES TOWNSHIP  
COSHOCOTON COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2005**

	<u>Governmental Fund Types</u>			<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Non- Expendable Trust</u>	
<b>Cash Receipts:</b>					
Local Taxes	\$ 37,718	\$ 15,659	\$ -	\$ -	\$ 53,377
Intergovernmental	19,357	187,747	-	-	207,104
Licenses, Permits, and Fees	-	1,750	-	-	1,750
Earnings on Investments	506	391	-	149	1,046
Other Revenue	40	1,610	-	-	1,650
	<u>57,621</u>	<u>207,157</u>	<u>-</u>	<u>149</u>	<u>264,927</u>
<b>Total Cash Receipts</b>					
<b>Cash Disbursements:</b>					
Current:					
General Government	45,718	362	-	-	46,080
Public Safety	-	14,100	-	-	14,100
Public Works	2,805	147,151	-	-	149,956
Health	8,467	-	-	-	8,467
Capital Outlay	500	-	-	-	500
Debt Service:					
Principal	4,144	-	-	-	4,144
Interest and Fiscal Charges	856	-	-	-	856
	<u>62,490</u>	<u>161,613</u>	<u>-</u>	<u>-</u>	<u>224,103</u>
<b>Total Cash Disbursements</b>					
Total Cash Receipts Over/(Under) Disbursements	(4,869)	45,544	-	149	40,824
Fund Cash Balances, January 1	23,928	82,699	28	18,687	125,342
<b>Fund Cash Balances, December 31</b>	<u>\$ 19,059</u>	<u>\$ 128,243</u>	<u>\$ 28</u>	<u>\$ 18,836</u>	<u>\$ 166,166</u>
Reserve for Encumbrances, December 31	<u>\$ 303</u>	<u>\$ 480</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 783</u>

See accompanying notes to the basic financial statements

**WHITE EYES TOWNSHIP  
COSHOCTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2006 AND 2005**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

White Eyes Township, Coshocton County, (the Township) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by a publicly-elected three-member Board of Trustees and a publicly-elected Clerk. The Township provides general governmental services, including road and bridge maintenance and cemetery maintenance.

The Township's management believes these financial statements present all activities for which the Township is financially accountable.

**B. Basis of Accounting**

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

**C. Cash and Investments**

All cash is maintained in a pooled checking account. Certificates of deposits are valued at cost.

**D. Fund Accounting**

The Township uses fund accounting to segregate cash and investments that are restricted as to use. The Township classifies its funds into the following types:

**1. General Fund**

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

**WHITE EYES TOWNSHIP  
COSHOCTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2006 AND 2005  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Fund Accounting (Continued)**

**2. Special Revenue Funds**

These funds are used to account for proceeds from specific sources that are restricted to expenditure for specific purposes. The Township has the following significant Special Revenue Funds:

Gasoline Tax Fund – This fund receives gasoline tax receipts for constructing, maintaining, and repairing Township roads and bridges.

Motor Vehicle License Fund – This fund receives motor vehicle tax receipts for constructing, maintaining, and repairing Township roads and bridges.

Cemetery Fund – This generates money through the selling of cemetery lots and donations from the general public. The money is disbursed for the maintenance and upkeep of township cemeteries.

Permissive Motor Vehicle License Fund – This fund receives county motor vehicle license tax money for the construction, repair, and maintenance of township roads and bridges.

Fire District – Special Levy Fund – This fund receives real estate tax for the cost associated with the fire protection contracts with the Village of West Lafayette and Tuscarawas Township.

Miscellaneous Special Revenue Fund – This fund is used to account for monies received and disbursed from the Federal Emergency Management Agency Disaster Assistance (FEMA).

**3. Debt Service Fund**

This fund is used to accumulate resources to pay principal and interest on long-term debt.

**4. Fiduciary Fund**

This fund receives money from the bequests of individuals. The earnings of which are expended for the upkeep of cemeteries and the purchase of cemetery land.

**WHITE EYES TOWNSHIP  
COSHOCTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2006 AND 2005  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Budgetary Process**

The Ohio Revised Code requires that each fund be budgeted annually.

**1. Appropriations**

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function, and object level of control and appropriations may not exceed estimated resources. The Board of Trustees must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Unencumbered appropriations lapse at year-end.

**2. Estimated Resources**

Estimated resources include estimates of cash to be received (budgeted receipts) plus cash as of January 1. The County Budget Commission must also approve estimated resources.

**3. Encumbrances**

The Ohio Revised Code requires the Township to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated in the subsequent year.

A summary of 2006 and 2005 budgetary activity appears in Note 3.

**F. Property, Plant and Equipment**

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

**WHITE EYES TOWNSHIP  
COSHOCTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2006 AND 2005  
(Continued)**

**2. EQUITY IN POOLED CASH**

The Township maintains a cash pool used by all funds. The Ohio Revised Code prescribes allowable deposits. The carrying amount of cash at December 31 was as follows:

	2006	2005
Demand Deposits	\$144,769	\$150,434
Certificates of Deposit	15,732	15,732
Total Deposits	\$160,501	\$166,166

Deposits are either (1) insured by the Federal Deposit Insurance Corporation or (2) collateralized by securities specifically pledged by the financial institution to the Township, or (3) collateralized by the financial institution's public entity deposit pool.

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ended December 31, 2006 and 2005 follows:

2006 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$54,110	\$58,695	\$4,585
Special Revenue	123,647	140,693	17,046
Debt Service	0	0	0
Non-Expendable Trust	39	100	61
Total	\$177,796	\$199,488	\$21,692

2006 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$72,865	\$58,580	\$14,285
Special Revenue	251,409	150,419	100,990
Debt Service	28	0	28
Non-Expendable Trust	3,143	0	3,143
Total	\$327,445	\$208,999	\$118,446

**WHITE EYES TOWNSHIP  
COSHOCTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2006 AND 2005  
(Continued)**

**3. BUDGETARY ACTIVITY (Continued)**

2005 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$54,402	\$57,621	\$3,219
Special Revenue	191,954	207,157	15,203
Non-Expendable Trust	236	149	(87)
Total	\$246,592	\$264,927	\$18,335

2005 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$77,933	\$62,793	\$15,140
Special Revenue	253,793	162,093	91,700
Non-Expendable Trust	3,190	0	3,190
Total	\$334,916	\$224,886	\$110,030

**4. PROPERTY TAX**

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by Board of Trustees. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to make semiannual payment, the first half is due December 31. The second half payment is due the following June 20.

Public utilities are also taxed on personal and real property located within the Township.

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the Township.

**WHITE EYES TOWNSHIP  
COSHOCTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2006 AND 2005  
(Continued)**

**5. RETIREMENT SYSTEMS**

The Township's elected officials and employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multi-employer plan. This plan provides retirement benefits, including post retirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 2006 and 2005, members of PERS contributed 9.0% and 8.5%, respectively, of their gross salaries. The Township contributed an amount equal to 13.70% of participants' gross salaries in 2006 and 13.55% in 2005. The Township has paid all contributions required through December 31, 2006.

**6. RISK MANAGEMENT**

**Commercial Insurance**

The Township has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Vehicles
- Errors and omissions

The Township reimburses officials the cost of health insurance through a carrier of their choosing.

**7. DEBT**

During 2004, the Township purchased a dump truck and took out a note payable in the amount of \$20,000. The agreement was for four annual payments at an interest rate of 5.79%. The balance outstanding at January 1, 2005 was \$15,000. The Township paid \$5,000 during 2005 and the remaining balance of the note during 2006. As such, the Township had no debt outstanding at December 31, 2006. Interest paid was \$856 during 2006 and \$856 during 2005.



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**INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

April 4, 2007

White Eyes Township  
Coshocton County  
28520 Township Road 171  
Fresno, Ohio 43824

To the Board of Trustees:

We have audited the financial statements of White Eyes Township, Coshocton County, (the Township) as of and for the years ended December 31, 2006 and 2005, and have issued our report thereon dated April 4, 2007, wherein we noted the Township followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Township's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinions on the financial statements, but not to opine on the effectiveness of the Township's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Township's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the Township's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the Township's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the Township's internal control will not prevent or detect a material financial statement misstatement.

White Eyes Township

Coshocton County

April 4, 2007

Independent Accountants' Report on Internal Control Over  
Financial Reporting and on Compliance and Other Matters

Required by *Government Auditing Standards*

Page 2

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all internal control deficiencies that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

#### **Compliance and Other Matters**

As part of reasonably assuring whether the Township's basic financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

This report is intended solely for the information and use of management, Township Trustees, and other officials authorized to receive this report under section 117.26, Ohio Revised Code, and is not intended to be, and should not be used by anyone other than these specified parties.

Respectfully Submitted,

**Perry and Associates**

Certified Public Accountants, A.C.



**Mary Taylor, CPA**  
Auditor of State

**WHITE EYES TOWNSHIP**

**COSHOCTON COUNTY**

**CLERK'S CERTIFICATION**

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
MAY 17, 2007**